



Who gets power with energy bills?

Saturday, May 24, 2008

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The Grand Rapids Press

GRAND RAPIDS -- Imagine being a business owner who was able to guarantee locking up 90 percent marketshare.

That's the idea behind new Michigan energy legislation backed by Consumers Energy and DTE Energy that already has been passed by the state House and is being considered by the state Senate.

The legislation would guarantee 90 percent of Michigan's market for electricity would be controlled by Consumers or DTE, a move the state's incumbent electric suppliers say is necessary for them to invest in new plants and alternative power generation technology.

Dan Bishop, a spokesman for Jackson-based Consumers Energy, said the company simply cannot get financing for big new plants without being assured it will have a customer base to serve.

"If Michigan wants to continue that uncertainty, we could buy on the wholesale market where it costs more and let other states benefit from the investment," Bishop said. "The legislation as it sits now basically preserves choice for those who want it, yet it gives us the certainty for our investment."

A coalition of businesses, including Meijer Inc., Herman Miller Inc., Spartan Stores Inc. and Alticor Inc. are among those opposing the package of energy bills.

They said capping the amount of electricity sold by suppliers other than Consumers and DTE is anti-competitive and discourages investment by companies that can more cost-effectively generate electricity.

A group of 33 businesspeople, lawmakers and lobbyists met Friday at Grand Valley State University's Eberhard Center to discuss the status of the bills.

"There is no need to remonopolize electricity in the state of Michigan, which is what will happen if these bills are passed," said Dennis Eidson, president of Byron Township-based Spartan Stores, which owns Family Fare, D&W, Glen's and Felpausch grocery stores.

It's not only big businesses opposed to the bill. Bill Lemson, president of Precise Wood Powder Coating, of Wyoming, said he fears for the future of his and other businesses if choices for power suppliers become more limited.

He said being able to choose his company's power provider has saved a lot of money for the power-hungry business he operates.

"Once choice is taken away, we're never going to have a shot at it again," he said. "With the Michigan Business Tax and now this, I just wonder if we can survive."

Proponents of the new law say it provides the assurance necessary to ensure billions of dollars will be available to finance construction of new power resources in the state.

Bishop said Consumers hadn't actually pursued financing for a new plant and been rejected.

"To my knowledge, there hasn't been anything like that because we have not formally asked," he said.

At the end of 2007, fewer than 5 percent of customers in areas served by DTE and Consumers were using alternative suppliers.

DTE and Consumers have said that shows there's plenty of room left for businesses to choose in Michigan. Those opposed to the 10 percent cap say the low number of businesses using alternative suppliers is a function of uncertainty over regulations in the state.

Jared Rodriguez, vice president of government affairs at the Grand Rapids Area Chamber of Commerce, said exceptions to the 10 percent cap on alternative energy suppliers are too limited to be meaningful.

The way the bills are written, existing customers of other energy companies could continue to use those suppliers even if the cap is reached, but only as long as they expand on an existing site with electricity funneled through an existing meter.

Bryan Harrison, of Ada Township-based Alticor Inc., in a letter sent to West Michigan state senators, compared the new legislation to "Soviet-style market controls."

"I believe the dirty secret why the utilities are desperate to return to monopoly status is that they simply are not competitive and upcoming changes in the market -- requested rate increases pending with the (Michigan Public Service Commission), need to update existing plants -- will make them even less so."

Businesses should be able to buy power from the most economical source, even if it comes from an out-of-state supplier, said state Sen. Wayne Kuipers, R-Holland, who is sponsoring an alternative set of energy bills.

Kuipers rhetorically asked those in the crowd how many had businesses that could guarantee 90 percent of their customers would be intact when they financed business expansions.

"Competition will force utilities to pay attention to customers," he said. "It will force better customer service, better reliability and will force costs down."

The bills are awaiting action in the Senate. Rodriguez said he doesn't expect final action until September.

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